

## Message Text

CONFIDENTIAL

PAGE 01 STATE 015514

13

ORIGIN SS-10

INFO OCT-01 SSO-00 ISO-00 /011 R

DRAFTED BY S/S-O: FICHTE

APPROVED BY S/S-O: TWOHIE

----- 071857

O 240828Z JAN 74

FM SECSTATE WASHDC

TO DIRNSA

JCS/DIA IMMEDIATE

TREASURY IMMEDIAE

JCS/DOD IMMEDIATE

USCG IMMEDIATE

C O N F I D E N T I A L STATE 015514

E.O. 11652: GDS

TAGS: PFOR

SUBJECT: MORNING SUMMARY OF SIGNIFICANT REPORTS

### 1. SOVIET-ISRAELI RELATIONS

EMBASSY MOSCOW, COMMENTING ON REPORTS THAT THE SOVIET UNION WOULD SOON REESTABLISH DIPLOMATIC RELATIONS WITH ISRAEL, CONCLUDES THAT THE SOVIETS WOULD FIND IT DIFFICULT TO REESTABLISH RELATIONS AT THIS TIME SOLELY ON THE BASIS OF DISENGAGEMENT. THE EMBASSY, HOWEVER, DOES NOT EXCLUDE THE POSSIBILITY OF EXPANDED CONTACTS WITH THE ISRAELIS IN GENEVA OR ELSEWHERE. (CONFIDENTIAL) MOSCOW 1107, 1/23.

### 2. BRITISH LIFT ARMS EMBARGO AND CALL FOR ARMS CONTROL

FOREIGN SECRETARY DOUGLAS-HOME ANNOUNCED TO PARLIAMENT ON JANUARY 21 AN END OF THE BRITISH MIDDLE EAST ARMS EMBARGO, BUT EMPHASIZED THAT ANY FUTURE REQUESTS WILL BE SUBJECT TO THE SAME CRITERIA AS IN THE PAST. HE ALSO WOULD LIKE TO SEE A RATIONING SYSTEM FOR ARMS TO THE MIDDLE EAST SUBSCRIBED TO BY THE US AND THE SOVIETS. (CONFIDENTIAL) CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 015514

LONDON 1016, 1/23.

3. KUWAIT TO AUCTION ROYALTY CRUDE

EMBASSY KUWAIT REPORTS THAT ALTHOUGH MANY DETAILS ARE UNCLEAR, IT SEEMS CERTAIN THAT KUWAIT WILL AUCTION 462,000 BARRELS PER DAY OF ROYALTY CRUDE FOR ONE AND PROBABLY OTHER SIX-MONTH PERIODS. KUWAIT PREFERRED NOT TO SELL BY AUCTION BUT IS MORE OR LESS FORCED TO SINCE NO MARKETING ORGANIZATION EXISTS. PREDICTIONS ARE THAT PRICES WILL BE ABOVE POSTED PRICES FOR KUWAITI CRUDE BUT BELOW NIGERIAN OR IRANIAN AUCTION PRICES. THERE ARE ALSO INDICATIONS THAT KUWAIT IS CONSIDERING 3-5 YEAR CONTRACTS FOR PARTICIPATION CRUDE. (CONFIDENTIAL) KUWAIT 288, 1/23.

4. FRENCH VIEWS ON EC POSITION FOR ENERGY CONFERENCE

THE FRENCH HAVE PRESENTED TO FOREIGN MINISTER SCHEEL, IN HIS CAPACITY AS EC COUNCIL CHAIRMAN, THEIR VIEWS ON THE POSITION THE COMMUNITY SHOULD TAKE AT THE WASHINGTON ENERGY CONFERENCE. THEY BELIEVE THE COMMUNITY SHOULD BE FREE TO PARTICIPATE IN ENERGY DISCUSSIONS WITH THE US, AT THE UN, AT THE OECD, AND TO ENTER INTO BILATERAL AGREEMENTS WITH OIL PRODUCERS. THE FRENCH WERE AMBIGUOUS AS TO WHETHER AGREEMENTS WITH THE ARAB STATES SHOULD BE CONCLUDED BY THE COMMUNITY AS SUCH OR BY INDIVIDUAL MEMBER STATES. THE OVERALL IMPRESSION OF THE FRENCH APPROACH IS THAT IT IS AN ATTEMPT TO DILUTE THE IMPORTANCE OF THE WASHINGTON CONFERENCE. (CONFIDENTIAL) EC BRUSSELS 432, 1/23.

5. BUNDESBANK DOLLAR SALES AND THE FRENCH FRANC FLOAT

EMBASSY BONN REPORTS THAT FRG FINANCE MINISTER SCHMIDT HAS STATED THAT THE FEDERAL GOVERNMENT HAS DECLINED THE US REQUEST TO "MANIPULATE" THE DOLLAR RATE BY DOLLAR SALES OF THE BUNDESBANK. SCHMIDT DEMANDED THAT THE US SHOULD ITSELF COUNTERACT AN OVERVALUATION OF THE DOLLAR, BUT EXPRESSED DOUBT THAT THE US WOULD DO SO. WITH REGARD CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 015514

TO THE FRENCH FRANC FLOAT, BANK PRESIDENT KLASSEN EXPRESSED REGRET BUT SAID IT WOULD FACILITATE BANK POLICY SINCE THERE WOULD NO LONGER BE A NEED TO INTERVENE IN FRENCH FRANCS. HE CONSIDERED THE DANGER THAT A "DEVALUATION RACE" MIGHT DEVELOP BUT BELIEVED THAT IT WOULD "REMAIN WITHIN LIMITS." (UNCLASSIFIED) BONN 1189, AND 1225, 1/23. KISSINGER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC RELATIONS ESTABLISHMENT, PETROLEUM, ARMS EMBARGO, AUCTIONS, MEETINGS, FLEXIBLE EXCHANGE RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE015514  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** O: FICHTE  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740118/aaaaaqz.tel  
**Line Count:** 114  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 APR 2002 by kelleyw0>; APPROVED <30 MAY 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MORNING SUMMARY OF SIGNIFICANT REPORTS  
**TAGS:** PFOR, MASS, ENRG, EFIN, UR, IS, UK, XF, KU, FR, EEC  
**To:** NSA MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005